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SUBJECT: NONG DUC MANH'S "WORKING VISIT" TO THE PRC:
-- THE VIEW FROM VIETNAM

REF: A. Hanoi 956 B. 01 Hanoi 3294

[C](#). 02 Hanoi 2417 D. 02 Hanoi 608

[E](#). 02 Hanoi 2309

[1](#)1. (SBU) SUMMARY. Nong Duc Manh, Communist Party of Vietnam (CPV) General Secretary (GS), visited the PRC April 7 - 11. This was his second visit to the PRC since assuming these responsibilities in April 2001. GS Manh was apparently the first foreign leader to meet with the PRC's new leadership. The visit was described as a "working visit" and both sides used it especially to give a push to the economic relationship. While Manh was visiting the PRC, Prime Minister Phan Van Khai was meeting with his counterpart in Japan (ref a). Officials discounted the significance of the timing, however. The visit, the latest in the steady flow of high-level exchanges characterizing the bilateral relationship, broke no new ground, but "reaffirmed" earlier agreements, including the Land Border treaty and Tonkin Gulf agreement. The two sides reportedly made some progress on outstanding fisheries issues, but there was disappointment on the Vietnamese side on the lack of progress on the land border demarcation. Reportedly, there was some divergence regarding Iraq. END SUMMARY.

[1](#)2. (U) According to press reports, a number of high-level CPV and GVN officials accompanied Manh on his visit, including:

--Deputy Prime Minister (and former Minister of Trade) Vu Khoan (also head of the CPV Politburo Secretariat);
--CPV Central Committee member and director of the Central Committee's External Relations Department Nguyen Van Son;
--CPV Central Committee member and Director of the CPV Central Committee office Ngo Van Du;
--CPV Central Committee member and Director of the CPV Central Committee Office Ho Tien Nghi;
--Ministry of Foreign Affairs Vice Minister Le Van Bang;
and,
--Vietnam's Ambassador to the PRC Tran Van Luat.
(Note: Khoan, Son, Du, and Nghi also accompanied GS Manh on his previous visit to the PRC - ref b - End Note.)

A "WORKING VISIT"

[1](#)3. (SBU) According to the PRC embassy, the main reasons for GS Manh's visit were to: (1) meet the new PRC leadership; (2) "learn from the experience" of the PRC's 16th Party Congress; and, (3) exchange views on bilateral cooperation and various regional and international issues. Nguyen Vinh Quang, Acting Director General of the Department for China and Northeast Asia of the CPV Central Committee's Commission for External Affairs, told poloff on April 16 that, while GS Manh's trip was considered a "working visit" rather than an "official friendship visit," this did not make much difference in the substance of the meetings. Quang said that in a "working visit" fewer officials accompanied Manh and there were less formal protocol arrangements. Quang said that in addition to his party counterpart Hu Jintao, Manh met with other key PRC leaders, including Wu Bangguo, Chairman of the Standing Committee of the National People's Congress; Wen Jiabao, CCP Politburo standing committee member and Premier; Jiang Zemin, Chairman of the Central Military Commission and former CCP General Secretary; Vice President Zeng Qinghong; and Chairman of

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China's People's Consultative Political Conference Jia Qinglin. There were apparently no public events, but GS Manh's visit did include stops in Anhui and Yunnan provinces, where he met with local leaders and had a chance to see the impact of the PRC's economic reforms, Quang added.

STEADY FLOW OF SENIOR LEVEL VISITS

[1](#)4. (U) GS Manh's visit was the latest in the steady flow of bilateral exchanges at the highest levels. Then-Vice

President Hu Jintao attended the CPV's Ninth Party Congress in April 2001; in September 2001, then-Chairman of the Standing Committee of the PRC's National People's Congress Li Peng visited; and then-head of state and party Jiang Zemin visited in February 2002. GS Manh visited Beijing previously in December 2001. Prior to that visit, President Tran Duc Luong had visited in December 2000 and Prime Minister Phan Van Khai in September 2000. In addition to these high-level visits, there are literally dozens of other official exchanges annually at the ministerial and expert level.

TIMING

15. (SBU) Although two of Vietnam's three major leaders were out of the country simultaneously, officials downplayed any significance of this timing. Tran Quang Minh, Assistant Director of the Japan Studies Center of Vietnam's National Center for Social Sciences and Humanities, said that "this was not the first time" that Vietnam's top leadership had been out of the country simultaneously (ref a). Separately, the CPV's Quang said that Manh's visit had been planned "well in advance" and that the timing "depended more on the hosts." Quang also said it was "normal" for GS Manh to visit the new leadership "promptly" because his visit reaffirmed the "importance that both countries and parties hold for each other." If GS Manh had not gone now, he could not have gone for "a couple months," Quang claimed.

ECONOMICS

16. (SBU) As on previous visits, the leaders lamented that the economic relationship, while extensive, "has not reached its full potential." According to press reports, two-way trade has grown steadily the past few years. In 2000, two-way trade was USD 2.4 billion. By 2002, it had reached USD 3.65 billion. The oft-stated goal is to reach USD five billion by 2005. (Note: These goals are perhaps less important than the exact composition in trade; Vietnam's perennial fear is that virtually all "two-way" trade is and will increasingly really be mostly PRC exports to Vietnam. end note) PRC exports include motorbikes, machinery, chemical fertilizers, and steel. Vietnam's exports include crude oil, rubber, vegetable oil, timber, iron ore, and plastics. The PRC is also the 17th largest foreign investor in Vietnam (at least on paper), with 205 projects capitalized at about USD 385 million. The PRC is Vietnam's largest source of tourists - in 2002, over 723,000 Chinese tourists visited Vietnam. (Note: It remains unclear how the SARS outbreak, enhanced GVN screening of visitors, and potential new limitations on PRC visitors due to SARS will affect 2003 levels. End note)

17. (SBU) Vice Foreign Minister Bang told Ambassador on April 18 that the two sides had also discussed large PRC-funded projects, including upgrading the Thai Nguyen steel complex and the Sinh Quyen copper mine, along with other projects related to urea and bauxite. (Note: The PRC is also involved in the Cao Ngan hydroelectric plant in Dak Lak province in the Central Highlands. End note) He highlighted that the PRC had formally agreed to forgive a war-era debt of approximately USD 54.3 million as well as to provide about USD six million for a Chinese Cultural Center in Hanoi.

LAND AND SEA BORDERS

18. (SBU) As during GS Manh's previous trip to the PRC, (ref b) both sides reaffirmed their commitment to the land border demarcation process as well as to resolving the "technical issues" on the Tonkin Gulf and Fisheries agreement. Regarding the land border, Ho Xuan Son, MFA Asia I Director General, told the resident diplomatic community on April 16 that up to now, "only" about 25 - 30 markers have been planted, although work was ongoing. While praising the PRC's cooperation, Son said that the GVN would like to see a faster pace. Separately, Tran Viet Hung, Director of Vietnam - China Border Department of the MFA Border Commission, told poloff on April 18 that, while both sides had expressed disappointment at the progress thus far, they understood that land demarcation was "complicated" due to the inexperience of the border demarcation teams and the difficult terrain. Hung said that both sides had pledged "to do their best" to complete the demarcation process (begun in September 2002) by the "end of 2005." (Comment: Considering that the demarcation process will require the planting of approximately 1,500 more border markers, finishing by 2005 will be a major challenge. End Comment.)

19. (SBU) Regarding the Tonkin Gulf, VFM Bang told the

Ambassador that differences had "narrowed" during Manh's visit on such issues as maritime demarcation and the number, tonnage, and horsepower of fishing vessels. Both sides agreed to continue regular meetings to resolve the remaining "technical issues." Separately, the Border Commission's Hung confirmed that the Vietnamese side remained concerned over the size as well as the number of Chinese fishing vessels. Hung noted that the Chinese vessels "tend to be much larger than ours."

FOREIGN POLICY OUTLOOK

10. (SBU) The CPV's Quang said that Manh and the PRC leadership had exchanged views on various regional and international issues. Although Iraq came up, it was not a major focus. He claimed that the PRC and Vietnam "were quite close" on the Iraq issue and that the PRC leadership told their guest that they hoped the coalition would put as much energy into reconstructing Iraq as it did in the military campaign. Separately, Dr. Do Tien Sam, Director of the Institute for China Studies of the National Center for Social Sciences and Humanities, told poloff that there was less than "total agreement" about Iraq. Dr. Sam said that in the past few years, the PRC had demonstrated a somewhat "softer" foreign policy because of its priority in developing relations with "more important countries, including the U.S." Dr. Sam also claimed that it was "natural" for Vietnam and the PRC to have some differences regarding Iraq because of Vietnam's stronger view of Iraq as a "traditional" friend. On the other hand, the two sides "were not far apart" on Iraq; both shared the view that the crisis should have been resolved peacefully within the UN framework, with "respect for Iraq's territorial sovereignty," he added.

12. (SBU) Concerning North Korea, Quang said that the PRC and Vietnam have "virtually the same opinion." Both sides said that the crisis should be resolved "via peaceful negotiations" and agreed that the Korean Peninsula should be "nuclear free." There was no discussion as to what, if anything, Vietnam might contribute to resolving the crisis, he added. Quang predicted that the PRC would have "significant influence" in future Korean Peninsula discussions.

13. (SBU) VFM Bang separately told the Ambassador that the PRC leaders had some "nice things" to say about the United States. VFM Bang noted that GS Manh was relieved to hear them, because "it is better to have two elephants dancing than two elephants fighting."

COMMENT

14. (SBU) The Manh visit was essentially an exercise to reaffirm the strong bilateral relationship between two of the few remaining Communist states. Official denials notwithstanding, the fact that GS Manh traveled to Beijing so promptly to meet the new leadership highlights that the relationship remains far from equal, with the Vietnamese caring much more about events in the PRC than the other way around. Balance remains important in Vietnam's foreign relations, as indicated by the "non-significant" timing vis-E-vis PM Khai's Japan visit. Similarly, GS Manh's last visit to the PRC came on the heels of the passage of the US-Vietnam Bilateral Trade Agreement, as the PRC likely sought to ensure the PRC that relations with its neighbor were just as important as its ties with the U.S.
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